



DEPARTMENT OF COMMERCE

International Trade Administration

[A-821-831]

Urea Ammonium Nitrate Solutions from the Russian Federation: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that urea ammonium nitrate solutions (UAN) from the Russian Federation are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is April 1, 2020, through March 31, 2021. Interested parties are invited to comment on this preliminary determination.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Krisha Hill or Drew Jackson, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4037 or (202) 482-4406, respectively.

SUPPLEMENTARY INFORMATION:

Background

This preliminary determination is made in accordance with section 733(b) of the Tariff Act of 1930, as amended (the Act). Commerce published the notice of initiation of this investigation on July 26, 2021.¹ On November 23, 2021, Commerce postponed the preliminary determination in this investigation until January 26, 2022.² For a complete description of the

¹ See *Urea Ammonium Nitrate Solutions from the Russian Federation and the Republic of Trinidad and Tobago: Initiation of Less-Than-Fair-Value Investigations*, 86 FR 40008 (July 26, 2021) (*Initiation Notice*).

² See *Urea Ammonium Nitrate Solutions from the Republic of Trinidad and Tobago and the Russian Federation: Postponement of Preliminary Determinations in the Less-Than-Fair-Value Investigations*, 86 FR 66530 (November 23, 2021).

events that followed the initiation of this investigation, *see* the Preliminary Decision Memorandum.³ A list of the sections in the Preliminary Decision Memorandum is in Appendix II to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Scope of the Investigation

The products covered by this investigation are UAN from Russia. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

In accordance with the preamble to Commerce's regulations,⁴ in the *Initiation Notice*, Commerce set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope).⁵ No interested party commented on the scope of the investigation as it appeared in the *Initiation Notice*. Commerce is not preliminarily modifying the scope language as it appeared in the *Initiation Notice*.

Methodology

Commerce is conducting this investigation in accordance with section 731 of the Act. Commerce calculated constructed export prices in accordance with section 772(b) of the Act. Commerce calculated normal value in accordance with section 773 of the Act. Furthermore, pursuant to section 776(a) and (b) of the Act, Commerce preliminarily based the dumping margins for PJSC Kuibyshev Azot and SBU Azot upon facts otherwise available, with adverse

³ See Memorandum, "Decision Memorandum for the Preliminary Determination in the Less-Than-Fair-Value Investigation of Urea Ammonium Nitrate Solutions from the Russian Federation," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁴ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

⁵ See *Initiation Notice*.

inferences, because these companies failed to timely respond to Commerce's quantity and value questionnaire. For a full description of the methodology underlying the preliminary determination, *see* the Preliminary Decision Memorandum.

All-Others Rate

Sections 733(d)(1)(ii) and 735(c)(5)(A) of the Act provide that in the preliminary determination, Commerce shall determine an estimated all-others rate for all exporters and producers not individually examined. This rate shall be equal to the weighted average of the estimated weighted-average dumping margins established for exporters and producers individually investigated, excluding any zero and *de minimis* dumping margins, and any dumping margins determined entirely under section 776 of the Act.

In this investigation, Commerce calculated estimated weighted-average dumping margins for the mandatory respondents, Public Joint Stock Company Acron (Acron) and EuroChem,⁶ that are not zero, *de minimis*, or based entirely on facts otherwise available. Commerce calculated the all-others rate by weight averaging the estimated weighted-average dumping margins that it calculated for the individually examined respondents. Commerce weight averaged these dumping margins by the publicly-ranged total values of their sales of subject merchandise to the United States during the POI.⁷

Preliminary Determination

Commerce preliminarily determines that the following estimated weighted-average

⁶ We used "EuroChem" to refer to the collapsed entity comprising the following companies: Azot, Joint Stock Company; Joint Stock Company "Nevinnomyssky Azot"; Mineral and Chemical Company EuroChem, Joint Stock Company; and EuroChem Trading Rus, Limited Liability Company.

⁷ With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents; (B) a simple average of the estimated weighted-average dumping margins calculated for the examined respondents; and (C) a weighted-average of the estimated weighted-average dumping margins calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. *See Ball Bearings and Parts Thereof from France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010). As complete publicly ranged sales data was available, Commerce based the all-others rate on the publicly ranged sales data of the mandatory respondents. For a complete analysis of the data, please *see* the All-Others Rate Calculation Memorandum.

dumping margins exist:

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)	Cash Deposit Rate (Adjusted for Subsidy Offset(s)) (percent)⁸
Public Joint Stock Company Acron	9.15	9.01
Azot, Joint Stock Company/Joint Stock Company “Nevinnomyssky Azot”/Mineral and Chemical Company EuroChem, Joint Stock Company/EuroChem Trading Rus, Limited Liability Company	23.98	23.98
PJSC Kuibyshev Azot*	127.19	127.10
SBU Azot*	127.19	127.10
All Others	15.48	15.39

* Rate is based on facts otherwise available with an adverse inference.

⁸ See Memorandum, “Antidumping Duty Investigation of Urea Ammonium Nitrate Solutions from the Russian Federation: Preliminary Calculations and Analysis for PJSC Acron,” dated concurrently with this memorandum; *see also* Memorandum, “Less-Than-Fair-Value Investigation of Urea Ammonium Nitrate Solutions from the Russian Federation: Preliminary Calculations and Analysis for EuroChem,” dated concurrently with this memorandum; and Memorandum, “Preliminary Determination Calculation for the All-Others,” dated concurrently with this memorandum.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise, as described in Appendix I, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. Further, pursuant to section 733(d)(1)(B) of the Act and 19 CFR 351.205(d), Commerce will instruct CBP to require the following cash deposits for such entries: (1) the cash deposit rate for each of the respondents listed in the table above is the company-specific cash deposit rate listed for the respondent in the table; (2) if the exporter is not a respondent listed in the table above, but the producer is, then the cash deposit rate is the company-specific cash deposit rate listed for the producer of the subject merchandise in the table above; and (3) the cash deposit rate for all other producers and exporters is the “All Others” cash deposit rate listed in the table above.

Commerce normally adjusts cash deposits for estimated antidumping duties by the amount of export subsidies countervailed in a companion countervailing duty (CVD) investigation when CVD provisional measures are in effect. Accordingly, where Commerce made a preliminary affirmative determination of countervailable export subsidies in the companion CVD investigation, we offset the estimated weighted-average dumping margins listed in the table above by the appropriate CVD rates to determine the cash deposit rates. Any such adjusted cash deposit rate may be found in the table in the “Preliminary Determination” section above.

Should provisional measures in the companion CVD investigation expire prior to the expiration of provisional measures in this LTFV investigation, Commerce will direct CBP to begin collecting estimated antidumping duty cash deposits unadjusted for countervailed export subsidies at the time that the provisional CVD measures expired. These suspension of liquidation instructions will remain in effect until further notice.

Disclosure

Commerce intends to disclose its preliminary calculations and related analysis to interested parties within five days of any public announcement of the preliminary determination or, if there is no public announcement, within five days of the date of publication of this notice in the *Federal Register* accordance with 19 CFR 351.224(b).

Verification

As provided in section 782(i)(1) of the Act, Commerce intends to verify the information relied upon in making its final determination. Normally, Commerce verifies information using standard procedures, including an on-site examination of original accounting, financial, and sales documentation. However, due to current travel restrictions in response to the global COVID-19 pandemic, Commerce is unable to conduct on-site verification in this investigation.

Accordingly, we intend to verify the information relied upon in making the final determination through alternative means in lieu of an on-site verification.

Public Comment

Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance. A timeline for the submission of case briefs and written comments will be provided to interested parties at a later date. Rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than seven days after the deadline date for case briefs.⁹ Note that Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.¹⁰ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this investigation are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited

⁹ See 19 CFR 351.309; *see also* 19 CFR 351.303 (for general filing requirements).

¹⁰ See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 17006 (March 26, 2020) (Temporary Rule); and *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice in the *Federal Register*. Requests for a hearing should contain: (1) the requesting party's name, address, and telephone number; (2) the number of individuals from the requesting party that will attend the hearing, including, whether any individuals are foreign nationals; and (3) a list of the issues the party intends to discuss at the hearing. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date and time of the hearing two days before the scheduled hearing date.

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination in the *Federal Register* if, in the event of an affirmative preliminary determination, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination, a request for such postponement is made by the petitioner. Section 351.210(e)(2) of Commerce's regulations requires that a request by exporters for postponement of the final determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

On January 14, 2022, and January 20, 2022, pursuant to 19 CFR 351.210(e), Acron and EuroChem, respectively, requested that Commerce postpone the final determination in this investigation up to 135 days after publication of this notice and that provisional measures be extended to a period not to exceed six months.¹¹ Additionally, on January 21, 2022, the petitioner requested that Commerce postpone the final determination in this investigation in the event of a negative preliminary determination.¹² In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii), because: (1) the preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, Commerce is postponing the final determination in this investigation and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, Commerce will make its final determination in this investigation no later than 135 days after the date of publication of this preliminary determination in the *Federal Register*.

International Trade Commission Notification

In accordance with section 733(f) of the Act, Commerce will notify the International Trade Commission (ITC) of its preliminary determination. If the final determination is affirmative, the ITC will determine before the later of 120 days after the date of this preliminary determination, or 45 days after the final determination, whether U.S. imports of UAN are materially injuring, or threaten material injury to, the U.S. industry.

Notification to Interested Parties

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act, and 19 CFR 351.205(c).

¹¹ See Acron's Letter, "Urea Ammonium Nitrate Solutions from the Russian Federation: Request for Extension of Final Determination and Provisional Measures," dated January 14, 2022; *see also* EuroChem's Letter, "Urea Ammonium Nitrate Solutions from the Russian Federation," dated January 21, 2022.

¹² See Petitioner's Letter, "Urea Ammonium Nitrate Solutions from the Russian Federation (A-821-831): Petitioner's Request for Postponement of Final Antidumping Determination," dated January 21, 2022.

Dated: January 26, 2022.

Lisa W. Wang,
Assistant Secretary
for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by this investigation is all mixtures of urea and ammonium nitrate in aqueous or ammonia solution, regardless of nitrogen concentration by weight, and regardless of the presence of additives, such as corrosion inhibitors and soluble micro or macronutrients (UAN).

Subject merchandise includes merchandise matching the above description that has been processed in a third country, including by commingling, diluting, adding or removing additives, or performing any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the subject country.

The scope also includes UAN that is commingled with UAN from sources not subject to this investigation. Only the subject component of such commingled products is covered by the scope of this investigation.

The covered merchandise is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 3102.80.0000. Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the scope is dispositive.

Appendix II

List of Sections in the Preliminary Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope of the Investigation
- V. Application of Facts Available and Use of Adverse Inferences
- VI. Affiliation/Single Entity
- VII. Discussion of the Methodology
- VIII. Currency Conversion
- IX. Adjustments to Cash Deposit Rates for Export Subsidies in Companion CVD Investigation
- X. Recommendation

[FR Doc. 2022-02061 Filed: 2/1/2022 8:45 am; Publication Date: 2/2/2022]